



General Assembly

***Amendment***

*January Session, 2007*

LCO No. **9152**

**\*SB0143209152SD0\***

Offered by:

SEN. FINCH, 22<sup>nd</sup> Dist.

REP. ROY, 119<sup>th</sup> Dist.

To: Subst. Senate Bill No. **1432**

File No. 905

Cal. No. 404

***"AN ACT CONCERNING GLOBAL WARMING AND BROWNFIELDS  
REMEDiation AND DEVELOPMENT."***

1 In line 67, after "2007)" insert "(a)"

2 After line 88, insert the following: "(b) Not later than two years after  
3 the Commissioner of Environmental Protection posts such a list on the  
4 Department of Environmental Protection's web site, no retailer or  
5 wholesaler shall sell any lamp classified on such list. The  
6 Commissioner of Environmental Protection shall issue a written  
7 warning to any retailer or wholesaler who violates this subsection. Not  
8 later than thirty days after the Commissioner of Environmental  
9 Protection issues such a warning, the wholesaler or retailer shall pay a  
10 fine of not more than one hundred dollars for each sale of an inefficient  
11 incandescent lamp subsequent to the receipt of such warning.

12 (c) For the purposes of this section, "incandescent lamp" means a  
13 light bulb of not less than forty watts and not more than one hundred  
14 watts with a medium screw base that operates at less than one

15   hundred fifteen volts and not more than one hundred thirty volts."

16       Strike sections 6 to 12, inclusive, and renumber the remaining  
17   sections and internal references accordingly

18       After the last section, add the following and renumber sections and  
19   internal references accordingly:

20       "Sec. 501. (NEW) (*Effective October 1, 2007, and applicable to sales*  
21   *occurring on or after said date*) There is hereby imposed a surcharge of  
22   ten cents on each sale of an incandescent lamp. Said surcharge shall be  
23   in addition to any tax otherwise applicable to any such transaction. On  
24   or after October 1, 2007, each retailer who collects such surcharge shall  
25   remit the total amount of the surcharge collected each calendar quarter  
26   to the Comptroller for deposit in the Renewable Energy Investment  
27   Fund created under section 16-245n of the general statutes. For the  
28   purposes of this section, "incandescent lamp" means a light bulb of not  
29   less than forty watts and not more than one hundred watts with a  
30   medium screw base that operates at not less than one hundred fifteen  
31   volts and not more than one hundred thirty volts.

32       Sec. 502. Section 12-81 of the general statutes is amended by adding  
33   subdivision (77) as follows (*Effective July 1, 2007, and applicable to*  
34   *assessment years commencing on or after October 1, 2007*):

35       (NEW) (77) Any hybrid passenger car, as defined in subdivision  
36   (115) of section 12-412, purchased on or after July 1, 2007.

37       Sec. 503. Section 12-217 of the general statutes is repealed and the  
38   following is substituted in lieu thereof (*Effective October 1, 2007*):

39       (a) (1) In arriving at net income as defined in section 12-213, whether  
40   or not the taxpayer is taxable under the federal corporation net income  
41   tax, there shall be deducted from gross income, (A) all items deductible  
42   under the Internal Revenue Code effective and in force on the last day  
43   of the income year except (i) any taxes imposed under the provisions  
44   of this chapter which are paid or accrued in the income year and in the

45 income year commencing January 1, 1989, and thereafter, any taxes in  
46 any state of the United States or any political subdivision of such state,  
47 or the District of Columbia, imposed on or measured by the income or  
48 profits of a corporation which are paid or accrued in the income year,  
49 and (ii) deductions for depreciation, which shall be allowed as  
50 provided in subsection (b) of this section, and (B) additionally, in the  
51 case of a regulated investment company, the sum of (i) the exempt-  
52 interest dividends, as defined in the Internal Revenue Code, and (ii)  
53 expenses, bond premium, and interest related to tax-exempt income  
54 that are disallowed as deductions under the Internal Revenue Code,  
55 and (C) in the case of a taxpayer maintaining an international banking  
56 facility as defined in the laws of the United States or the regulations of  
57 the Board of Governors of the Federal Reserve System, as either may  
58 be amended from time to time, the gross income attributable to the  
59 international banking facility, provided, no expense or loss attributable  
60 to the international banking facility shall be a deduction under any  
61 provision of this section, and (D) additionally, in the case of all  
62 taxpayers, all dividends as defined in the Internal Revenue Code  
63 effective and in force on the last day of the income year not otherwise  
64 deducted from gross income, including dividends received from a  
65 DISC or former DISC as defined in Section 992 of the Internal Revenue  
66 Code and dividends deemed to have been distributed by a DISC or  
67 former DISC as provided in Section 995 of said Internal Revenue Code,  
68 other than thirty per cent of dividends received from a domestic  
69 corporation in which the taxpayer owns less than twenty per cent of  
70 the total voting power and value of the stock of such corporation, and  
71 (E) additionally, in the case of all taxpayers, the value of any capital  
72 gain realized from the sale of any land, or interest in land, to the state,  
73 any political subdivision of the state, or to any nonprofit land  
74 conservation organization where such land is to be permanently  
75 preserved as protected open space or to a water company, as defined  
76 in section 25-32a, where such land is to be permanently preserved as  
77 protected open space or as Class I or Class II water company land.

78 (2) No deduction shall be allowed for (A) expenses related to

79 dividends which are allowable as a deduction or credit under the  
80 Internal Revenue Code, and (B) federal taxes on income or profits,  
81 losses of other calendar or fiscal years, retroactive to include all  
82 calendar or fiscal years beginning after January 1, 1935, interest  
83 received from federal, state and local government securities, if any  
84 such deductions are allowed by the federal government.

85 (3) Notwithstanding any provision of this section to the contrary, no  
86 dividend received from a real estate investment trust shall be  
87 deductible under this section by the recipient unless the dividend is:  
88 (A) Deductible under Section 243 of the Internal Revenue Code; or (B)  
89 received by a qualified dividend recipient from a qualified real estate  
90 investment trust and, as of the last day of the period for which such  
91 dividend is paid, persons, not including the qualified dividend  
92 recipient or any person that is either a related person to, or an  
93 employee or director of, the qualified dividend recipient, have  
94 outstanding cash capital contributions to the qualified real estate  
95 investment trust that, in the aggregate, exceed five per cent of the fair  
96 market value of the aggregate real estate assets, valued as of the last  
97 day of the period for which such dividend is paid, then held by the  
98 qualified real estate investment trust. For purposes of this section, a  
99 "related person" is as defined in subdivision (7) of subsection (a) of  
100 section 12-217m, "real estate assets" is as defined in Section 856 of the  
101 Internal Revenue Code, a "qualified dividend recipient" means a  
102 dividend recipient who has invested in a qualified real estate  
103 investment trust prior to April 1, 1997, and a "qualified real estate  
104 investment trust" means an entity that both was incorporated and had  
105 contributed to it a minimum of five hundred million dollars worth of  
106 real estate assets prior to April 1, 1997, and that elects to be a real estate  
107 investment trust under Section 856 of the Internal Revenue Code prior  
108 to April 1, 1998.

109 (4) Notwithstanding anything in this section to the contrary, (A) any  
110 excess of the deductions provided in this section for any income year  
111 commencing on or after January 1, 1973, over the gross income for  
112 such year or the amount of such excess apportioned to this state under

113 the provisions of section 12-218, shall be an operating loss of such  
114 income year and shall be deductible as an operating loss carry-over for  
115 operating losses incurred prior to income years commencing January  
116 1, 2000, in each of the five income years following such loss year, and  
117 for operating losses incurred in income years commencing on or after  
118 January 1, 2000, in each of the twenty income years following such loss  
119 year, provided the portion of such operating loss which may be  
120 deducted as an operating loss carry-over in any income year following  
121 such loss year shall be limited to the lesser of (i) any net income greater  
122 than zero of such income year following such loss year, or in the case  
123 of a company entitled to apportion its net income under the provisions  
124 of section 12-218, the amount of such net income which is apportioned  
125 to this state pursuant thereto, or (ii) the excess, if any, of such  
126 operating loss over the total of such net income for each of any prior  
127 income years following such loss year, such net income of each of such  
128 prior income years following such loss year for such purposes being  
129 computed without regard to any operating loss carry-over from such  
130 loss year allowed by this subparagraph and being regarded as not less  
131 than zero, and provided, further, the operating loss of any income year  
132 shall be deducted in any subsequent year, to the extent available  
133 therefor, before the operating loss of any subsequent income year is  
134 deducted, and (B) any net capital loss, as defined in the Internal  
135 Revenue Code effective and in force on the last day of the income year,  
136 for any income year commencing on or after January 1, 1973, shall be  
137 allowed as a capital loss carry-over to reduce, but not below zero, any  
138 net capital gain, as so defined, in each of the five following income  
139 years, in order of sequence, to the extent not exhausted by the net  
140 capital gain of any of the preceding of such five following income  
141 years, and (C) any net capital losses allowed and carried forward from  
142 prior years to income years beginning on or after January 1, 1973, for  
143 federal income tax purposes by companies entitled to a deduction for  
144 dividends paid under the Internal Revenue Code other than  
145 companies subject to the gross earnings taxes imposed under chapters  
146 211 and 212, shall be allowed as a capital loss carry-over.

147 (5) This section shall not apply to a life insurance company as  
148 defined in the Internal Revenue Code effective and in force on the last  
149 day of the income year. For purposes of this section, the unpaid loss  
150 reserve adjustment required for nonlife insurance companies under the  
151 provisions of Section 832(b)(5) of the Internal Revenue Code of 1986, or  
152 any subsequent corresponding internal revenue code of the United  
153 States, as from time to time amended, shall be applied without making  
154 the adjustment in Subparagraph (B) of said Section 832(b)(5).

155 (b) For purposes of determining net income under this section, the  
156 deduction allowed for depreciation shall be determined as provided  
157 under the Internal Revenue Code of 1986, or any subsequent  
158 corresponding internal revenue code of the United States, as from time  
159 to time amended, provided in making such determination, the  
160 provisions of Section 168(k) of said code shall not apply.

161 (c) (1) Notwithstanding the provisions of subsections (a) and (b) of  
162 this section, "net income", in the case of an S corporation, means the  
163 percentage of the nonseparately computed income or loss, as defined  
164 in Section 1366(a)(2) of the Internal Revenue Code, of such S  
165 corporation, without separate state adjustment pursuant to section  
166 12-233 or 12-226a for the compensation of any officer or employee, to  
167 which shall be added (A) any taxes imposed under the provisions of  
168 this chapter which are paid or accrued in the income year and (B) any  
169 taxes in any state of the United States or any political subdivision of  
170 such state, or the District of Columbia, imposed on or measured by the  
171 income or profits of a corporation which are paid or accrued in the  
172 income year as provided in subdivision (2) of this subsection.

173 (2) For income years commencing prior to January 1, 1997, "net  
174 income" means one hundred per cent of the amount computed under  
175 subdivision (1) of this subsection; for income years commencing on or  
176 after January 1, 1997, and prior to January 1, 1998, "net income" means  
177 ninety per cent of the amount computed under subdivision (1) of this  
178 subsection; for income years commencing on or after January 1, 1998,  
179 and prior to January 1, 1999, "net income" means seventy-five per cent

180 of the amount computed under subdivision (1) of this subsection; for  
181 income years commencing on or after January 1, 1999, and prior to  
182 January 1, 2000, "net income" means fifty-five per cent of the amount  
183 computed under subdivision (1) of this subsection; for income years  
184 commencing on or after January 1, 2000, and prior to January 1, 2001,  
185 "net income" means thirty per cent of the amount computed under  
186 subdivision (1) of this subsection; for income years commencing on or  
187 after January 1, 2001, net income of S corporations as computed under  
188 subdivision (1) of this subsection shall not be subject to the tax under  
189 this chapter. Any S corporation subject to the tax on net income as  
190 provided in this section shall be eligible for any credit against the tax  
191 otherwise available to taxpayers under this chapter only to the extent  
192 and in the same percentage as net income of such S corporation is  
193 subject to taxation under this chapter, except that any S corporation  
194 with an income year commencing on or after January 1, 1999, but  
195 before December 31, 2000, shall be eligible for the entire credit  
196 available under sections 8-395, 12-633, 12-634, 12-635 and 12-635a.

197 (d) Notwithstanding the provisions of subsections (a) and (b) of this  
198 section, "net income" shall not include: (1) Twenty per cent of the total  
199 proceeds received from the sale of greenhouse gas emission credits on  
200 or after January 1, 2008, (2) forty per cent of the total proceeds received  
201 from such sale on or after January 1, 2009, (3) sixty per cent of the total  
202 proceeds received from such sale on or after January 1, 2010, (4) eighty  
203 per cent of the total proceeds received from such sale on or after  
204 January 1, 2011, and (5) any proceeds from the sale of greenhouse gas  
205 emission credits on or after January 1, 2012.

206 ~~[(d)]~~ (e) The commissioner may adopt regulations in accordance  
207 with chapter 54, relating to mergers or consolidations of corporations  
208 providing for the deduction, by the surviving or new corporation  
209 provided for in the plan of consolidation, of operating losses that were  
210 incurred by a merging or consolidating corporation, respectively,  
211 before the merger or consolidation, respectively. Such regulations may  
212 follow the provisions of the Internal Revenue Code of 1986, or any  
213 subsequent corresponding internal revenue code of the United States,

214 as from time to time amended, or the regulations thereunder."